



209 East Chestnut, Suite 2  
Canton, Illinois 61520  
Phone: 309.647.2677  
Fax: 309.647.2712

**COMMENTS OF Spoon River Partnership for Economic Development  
whose service area is Canton and Fulton County.  
ILLINOIS COMMERCE COMMISSION WORKSHOP ON RESOURCE ADEQUACY  
IN MIDCONTINENT INDEPENDENT SYSTEM OPERATOR (MISO) ZONE 4**

These comments are being submitted to the Illinois Commerce Commission (“ICC”) by Spoon River Partnership for Economic Development (SRPED). The SRPED appreciates the ICC’s efforts in conducting this important proceeding to consider electric power supply issues in downstate Illinois and, in particular, the market policies and conditions that are adversely impacting power plants that have reliably served downstate Illinois for many years as well as being critical drivers of employment and economic activity in their local areas. We also appreciate the opportunity being provided to local stakeholders such as SRPED to provide our views on these issues. Our Duck Creek power plant happens to be one of our largest employers to the Canton/Fulton County area. One of our organization’s goals is to help create and maintain jobs that pay a living wage and this is one of our employers who does just that.

The SRPED wishes to express its concern about the potential closing of the Duck Creek power station and to express to the ICC the severe adverse impacts this closing would have on our Canton/Fulton County area and the citizens of our community. In considering policy options, it is critical that the ICC – and ultimately, the General Assembly and the Governor – consider the impacts of policy choices on the power plants that provide jobs, economic stimulus and fiscal support to the State and local governments in downstate Illinois. SRPED strongly urges the ICC to recommend policy solutions such as proposed in Illinois Senate Bill 2250 and House Bill 4141 [, or as proposed by Rockland Capital], which will implement changes to the downstate Illinois power markets that will give the Duck Creek power station] and other downstate power stations a fair opportunity to compete in the market and remain in operation.

The Duck Creek power station is located in/near Canton, IL in Fulton County. It initially began operations in 1975 and has been an economic mainstay of Canton/Fulton County and the surrounding area for over 42 years. Today the power station employs approximately 72 area residents, as well as, numerous contractors. We understand that the power station's payroll is approximately \$9 million annually. The power station provides good, family-sustaining jobs which are among the best if not the best available in our area. Many of the employees have worked at the power station or at others of the Dynegy power stations for many years. Because these power station employees largely reside in the area and spend much of their income in the area, the continued operation of the power station thereby supports many other local businesses and jobs. The power station itself also purchases various supplies and services from local businesses that employ local residents. Although the Duck Creek power station is located in Fulton County, its positive economic impact also benefits the surrounding area which includes Mason, Peoria and Tazewell Counties.

Dynegy, as the owner of the Duck Creek power station, is one of the largest property taxpayers to Fulton County and Canton School District #66. In 2017, the property taxes paid by the Duck Creek power station (2016 property taxes payable in 2017) were \$1.9 million. These tax payments provided substantial support to the Fulton County, and Canton School District #66. Of course, this loss of revenue would have to be made up by other local taxpayers, to the extent possible given the statutory limits on property tax rates and extensions. If the revenues could not be made up by increasing taxes on other taxpayers, then the lost revenues would translate into reduced services provided by Fulton County and Canton School District #66.

Through their spending in the area, the employees of Duck Creek, and the power station itself through the materials and supplies it purchases, also pay sales taxes on their purchases. The Duck Creek power station also pays Illinois Use Tax on its purchases of coal from out-of-

State sources. A portion of these taxes go directly go to Canton/Fulton County while the balance goes to help support the State of Illinois government.

In addition to being one of the largest employers and largest taxpayers in our community, the Duck Creek power station and its employees are also good citizens of our community. Our Duck Creek power plant supports several local organizations such as the St. Mary's food pantry, First Baptist Church food pantry, Toys for Tots-Fulton County and was a very large contributor to the Canton Disaster Recovery Fund after a devastating explosion affected Canton's downtown. Many of the Duck Creek's employees are local community leaders, including by taking leadership roles or serving on local government boards and community organizations.

Unfortunately, closing the Duck Creek power station would almost certainly initiate a severe downward spiral for our community and the surrounding area. The employees of Duck Creek, many of whom have worked at the power station for many years, are unlikely to all find comparable, well-paying jobs in our area. Many of them will either leave the area to obtain new employment, take lesser-paying jobs in the area, if available, or retire. Under any of these scenarios, local spending for goods and services will be reduced and there will be a ripple effect on local businesses that currently serve the power station employees and their families and the power station itself. Local businesses in turn may be forced to lay off employees or to shut down entirely.

Additionally, it is important to our community to maintain adequate supplies of electric power provided at stable prices. We understand that some parties feel that there is an excess supply of power available to downstate Illinois and the surrounding areas, including through power imported from plants located in other states, and that as a result, some or all of these older Dynegy power stations should be retired. However, as the Duck Creek plant is one of the largest employers in our area, and as most of the employees of the Duck Creek station employees reside in the local area, the Duck Creek power station is well known as a reliable, low cost producer of

electricity. Duck Creek has made several investments in the plant with regard to Environmental Compliance including: new Precipitators, installation of SCR (Selective Catalytic Reduction) unit, a scrubber and most recently won the Peabody Environmental Award for being the low SO<sub>2</sub> emitter in the United States. We are concerned about the possibility of power plant retirements in downstate Illinois resulting in tightening of supply that in turn could produce volatile prices from year to year. Neither our local citizens, nor our local governments, which must budget and set local tax rates in advance, wish to see significant variations in electricity prices from year to year. From the point of view of SRPED, such fluctuations can make it very difficult to budget and can affect our ability to provide the other governmental services that our citizens expect.

Additionally, we feel that it is unwise for our area and for downstate Illinois in general, to rely heavily on utilities and power plants located in other states that are under the authority of different regulatory commissions, to supply the electricity that is needed for our homes and businesses. We also support the ongoing development of new wind and solar generating facilities in Illinois, which we understand to be mandated by State law, but we know that wind and solar generating facilities are called “variable generation” because their availability and output are dependent on the wind blowing and the sun shining, which does not necessarily correlate to the times of the day and the year when power is most needed by consumers. Downstate Illinois has power stations that are physically located in our area, were built to serve Illinois homes and businesses, and are reliable producers of power 24 hours per day, 7 days per week, 365 hours per day, as well as employing local residents and supporting local businesses and governments as described above. It makes no sense to let these plants go into retirement – not because they are technologically obsolete or physically ready for retirement, but due to a poorly-designed market – while relying for our power supply on out-of-state plants that were not built to serve Illinois electricity consumers.

Our community is particularly concerned about the possibility of the Duck Creek power station being closed because we have seen that Dynegy has closed other plants in recent years. These closures have included the Vermilion Power Station near Danville in Vermilion County; the Wood River Power Station in Madison County; one unit at the Baldwin Power Station in Randolph County; and one unit at the Newton Power Station in Jasper County.

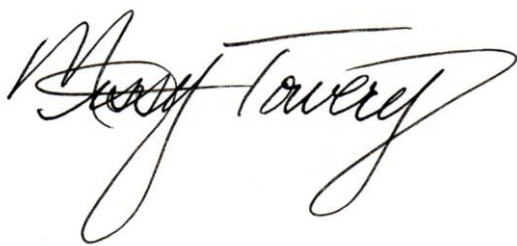
The citizens in our community would be extremely upset if the General Assembly and the Governor failed to act on the proposed Illinois-centered electric capacity market reforms that will provide the opportunity for Duck Creek power station to remain in operation. Our citizens see on their electric bills every month an additional charge, imposed by the General Assembly and the Governor, to subsidize and sustain in operation two of the Exelon power stations, including one in far northwest Illinois. We understand the importance of these two power stations to their respective local communities and fully understand the reasons that the General Assembly acted to create a subsidy mechanism, that is paid for by every Ameren Illinois and ComEd customer in the State, to keep those plants in operation. Our citizens also know that they are being charged on their electric bills every month for payments made to support renewable generators under a program mandated by the General Assembly. Should no action be taken by the General Assembly and the Governor regarding the Dynegy downstate plants, the citizens of our community would certainly wonder why the General Assembly and the Governor enacted and imposed a massive, 10-year subsidy program on ratepayers to support the Exelon plants, and have enacted a massive plan to subsidize the construction of new wind and solar plants through 15-year guaranteed contracts, but could do nothing to help to keep the Dynegy plants downstate Illinois in operation, including the Duck Creek power station in our community.

SRPED supports the downstate capacity market reforms that have been proposed by Dynegy and are incorporated in House Bill 4141 and Senate Bill 2250. We also understand that Rockland Capital has proposed a similar policy reform. We understand that these proposed

solutions would provide for market reforms, and would not provide for a ratepayer-funded subsidy like the General Assembly and the Governor have already imposed for the Exelon plants. Under these proposals, the power plants that would be selected to be the capacity suppliers for downstate Illinois would be selected on the basis of a competitive bidding process on the basis of the prices the various power stations offered. We understand that one of the core changes that these proposals would implement would be that capacity contracts would be awarded three years in advance, rather than three months in advance. This certainly makes economic sense to SRPED, as we understand the need for longer-term planning, beyond just the upcoming fiscal year, and we must always be planning for the longer-term future in our own operations. This approach will also help to ensure that the capacity suppliers to downstate Illinois are making longer-term commitments to serve the power needs of downstate Illinois.

In conclusion, SRPED reiterates its appreciation for the Illinois Commerce Commission's efforts in studying the important issues relating to long-term power supply and the related local economic impacts in downstate Illinois, and thanks the ICC for the opportunity to provide these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Missy Towery". The signature is fluid and cursive, with a large loop at the end of the last name.

Missy Towery, PCED  
Executive Director